



Department of Justice

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BELGIAN AND DUTCH COMPANIES AGREE TO PLEAD GUILTY TO PARTICIPATING IN CHEMICAL INDUSTRY PRICE-FIXING CONSPIRACIES

Solvay S.A. and Akzo Nobel Chemicals International B.V. Agree to Pay Criminal Fines Totaling \$72 Million

WASHINGTON, D.C. – Solvay S.A. (Solvay), a Belgian company, and Akzo Nobel Chemicals International B.V. (Akzo Nobel), a Dutch company, have agreed to plead guilty and to pay a total of more than \$72 million in criminal fines for their participation in international price-fixing cartels in the chemicals industry, the Department of Justice announced today. These are the first charges as a result of the Department's ongoing antitrust investigations into the hydrogen peroxide and sodium perborates industries.

Akzo Nobel has agreed to pay a \$32 million criminal fine for participating in an international conspiracy to fix prices in the hydrogen peroxide market. Solvay has agreed to pay a \$40.8 million criminal fine for participating in international conspiracies to fix prices in both the hydrogen peroxide and sodium perborates markets. Solvay and Akzo Nobel's roles in the conspiracies affected nearly \$350 million in United States commerce, the Department said.

In two felony cases filed in U.S. District Court in San Francisco, Solvay and Akzo Nobel were charged with conspiring with their competitors to fix the price of hydrogen peroxide sold in the United States and elsewhere from July 1, 1998 to December 1, 2001. Solvay was also charged with conspiring to fix the price of sodium perborates sold to Procter & Gamble from June 1, 2000 to December 1, 2001. Under the plea agreements, which must be approved by the

court, Solvay and Akzo Nobel agreed to assist the government in its ongoing hydrogen peroxide and sodium perborates investigations.

“Protecting consumers from international price-fixing cartels is the Division’s highest priority,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division. “These types of cartels are harmful to our economy and to millions of American consumers.”

Hydrogen peroxide is a chemical compound with strong oxidizing properties that is widely used as a bleaching agent. The same household chemical commonly used as a disinfectant for cuts and scrapes, hydrogen peroxide also has multiple industrial uses, including applications in the electronics, energy production, mining, cosmetics, food processing, textiles and pulp and paper manufacturing industries.

The chemical compound sodium perborate is a strong oxidizing agent used to bleach, clean and deodorize. The primary application of sodium perborates is in detergents, but it is also found in toothpaste, hair care products and topical antiseptics and is used as a reactive agent in industrial processes.

Akzo Nobel and Solvay are charged with carrying out the hydrogen peroxide conspiracy with their co-conspirators by:

- Participating in conversations and meetings to discuss prices of hydrogen peroxide to be sold in the United States and elsewhere;
- Agreeing, during those conversations and meetings, to fix prices of hydrogen peroxide to be sold in the United States and elsewhere;
- Participating in conversations and attending meetings concerning implementation of and adherence to the agreements reached;
- Issuing price announcements and price quotations in accordance with the agreements reached; and

- Exchanging information on the sale of hydrogen peroxide in the United States and elsewhere.

Additionally, Solvay is charged with carrying out the sodium perborates conspiracy with its co-conspirator by:

- Participating in conversations and meetings to discuss prices of sodium perborates to be sold to Procter & Gamble;
- Agreeing, during those conversations and meetings, to fix prices of sodium perborates to be sold to Procter & Gamble;
- Participating in conversations and attending meetings concerning implementation of and adherence to the agreements reached;
- Issuing price quotations in accordance with the agreements reached; and
- Exchanging information on the sale of sodium perborates to Procter & Gamble.

“The companies charged today will provide valuable assistance in our continued investigations of the hydrogen peroxide and sodium perborates industries,” said Scott D. Hammond, the Antitrust Division’s Deputy Assistant Attorney General for Criminal Enforcement.

Akzo Nobel and Solvay were charged with violating Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for corporations and a maximum penalty of three years imprisonment and a \$350,000 fine for individuals for violations occurring before June 2004. The maximum fine may be increased to twice the gain the conspirators derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today’s charges are the result of ongoing criminal investigations being conducted by the Antitrust Division’s San Francisco Field Office and the Federal Bureau of Investigation in San Francisco. Anyone with information concerning price fixing in the hydrogen peroxide or sodium

perborates industries should contact the San Francisco Field Office of the Antitrust Division at (415) 436-6660. Case filings can be viewed on the Antitrust Division's web site,

<http://www.usdoj.gov/atr/>

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